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PRESS RELEASE

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APCC and 23 Local Organizations Ask State to Divest Entergy (ETR)

A diverse group of 24 organizations from across the region today praised Governor Patrick for his strong stand promoting safer and improved operation of the Pilgrim Nuclear Power Station. The organizations asked the governor and state treasurer to begin systematically eliminating public investment in Entergy (ETR), the owner and operator of the Pilgrim plant. Massachusetts, according to the Pension Reserves Investment Management Board, has at least \$8.6 million invested in Entergy equities and fixed income securities. The organizations collectively believe this is a poor investment.

Copied below is the letter in its entirety

June 4, 2014

Honorable Deval Patrick
Massachusetts State House
Office of the Governor
Room 105
Boston, MA 02133

Honorable Steven Grossman
Massachusetts State House
Office of the State Treasurer
Room 227
Boston, MA 02133

Dear Governor Patrick and Treasurer Grossman:

The below signed 24 organizations thank the Governor and his administration for taking a bold stand on the Pilgrim Nuclear Power Station in Plymouth, Massachusetts. The Governor's letter of March 17, 2014 is testimony to his commitment to the safety of the citizens of the Commonwealth. We now believe it is also appropriate to begin systematically eliminating public investment in Entergy (ETR), the owner and operator of the Pilgrim plant. Massachusetts, according to the Pension Reserves Investment Management Board, has at least \$8.6 million invested in Entergy equities and fixed income securities (as of March 31, 2014).

The Pilgrim plant has been the subject of significant scrutiny by the government as well as local citizens and organizations. The news is not good for Pilgrim, or for all citizens living in southeastern Massachusetts, including Cape Cod. The Nuclear Regulatory Commission (NRC) recently placed Pilgrim in the "degraded cornerstone" of plant performance based upon the plant's performance for all of 2013. The degraded status is

based upon a series of unplanned “scrams,” defined by the NRC as “the sudden shutting down of a nuclear reactor, usually by rapid insertion of control rods, either automatically or manually by the reactor operator, also known as a ‘reactor trip’.”

The plant is functionally obsolescent and poses both a safety threat and an economic threat to the Commonwealth. While the risk of a nuclear accident remains statistically low, we now know the risk has been underestimated at Pilgrim. For example, the NRC recently announced the initiation of a \$5 million study of seismic risk to Pilgrim, acknowledging that the risk was previously underestimated. According to a report in the *Cape Cod Times*, the regional administrator of the NRC conceded that Pilgrim was not designed to withstand the actual seismic activity predicted by the U.S. Geological Survey.

The disaster at Fukushima, which was the result of a tsunami triggered by an offshore earthquake, pointed out the vulnerability of the exact same type reactor as at Pilgrim. We know that the largest tsunami in the northwest Atlantic, the Newfoundland tsunami of 1929, was greater in size than the one at Fukushima. It is noteworthy that part of the downgrade of Pilgrim was related to loss of external power needed to operate pumps and valves. The loss of external power at Fukushima was a key factor in reactor meltdown.

To point to another example, for some time there has been a documented but unresolved leak of tritium into groundwater at Pilgrim. The Environmental Protection Agency (EPA) classifies tritium as a carcinogenic radionuclide. Despite some of the concentrations of tritium in groundwater monitoring wells exceeding drinking water standards, Entergy dismissed the potential threat to drinking water by stating that the flow path was toward Cape Cod Bay where the radioactive discharge would simply be diluted in seawater. If this is true, this simply transfers the tritium pollution into Cape Cod Bay where it poses a threat to the shellfisheries and fin fisheries which are integral to our food supply and economy. This is no solution. Recently, however, Entergy claimed to have traced the tritium discharge to a separated discharge line from an electrical junction box and that “the most probable source has been identified and suspended”. Again, this is no solution – it simply affirms the fact that Pilgrim’s infrastructure is outdated and unsafe. The cost to upgrade plant infrastructure and operations to address discharges of tritium and other radioactive materials is unknown but likely substantial. At a recent public meeting between the NRC and Entergy to discuss the downgraded performance evaluation, Entergy never mentioned increased investment, capital improvements or replacement of aging or failing equipment to improve operations or safety. The Entergy philosophy appears to be solely focused on depreciation of assets.

The risk of a substantial financial loss at Pilgrim is real even without an accident. The plant is vulnerable to loss and damage from a host of design, meteorological and operational challenges as well as potential litigation. If we realize and appreciate the relationship between spending millions of tax dollars on fisheries management and simultaneously permitting massive fisheries entrainment and impingement at Pilgrim, we would demand significant modification to Pilgrim’s cooling system costing Entergy millions of dollars. It is a poor investment to spend public funds on fisheries while allowing Entergy to destroy 91 species of commercially and recreationally important marine and diadromous fish by the millions.

Sea level has risen nearly a half a foot since Pilgrim was constructed and continues to rise at an accelerating rate. Storms are more intense and storm surges are now consistently higher than when the plant was designed. The plant will be increasingly vulnerable to coastal storm events unless a sizeable investment in elevating infrastructure and armoring vulnerable components is undertaken. The Jersey barriers that Entergy has installed will not be able to hold the sea back for long. The cooling system, seismic safety improvements including tsunami protection, coastal storm protection, tritium and other radioactive leaks, and operations deficiencies identified by the NRC are just some of the design, meteorological and operations challenges requiring significant investment by Entergy. For whatever reasons Entergy appears unwilling or unable to make those investments.

FitzPatrick, also owned by Entergy, is the only plant with a lower performance rating than Pilgrim. This must lead us to question whether there is a pattern to be seen in the strategies Entergy adopts for design, maintenance and capital investment in all of its facilities. This risk of loss of the Commonwealth's investment is real and quantifiable at Pilgrim. We are not alone in considering Entergy a poor investment. According to NASDAQ insider trading reports gathered from the Securities and Exchange Commission (SEC) reports, corporate officers at Entergy have been selling stock over the past 3 months. The net sale of stock by insiders is over 63,000 shares – 65,609 shares sold and only 1,416 shares purchased. While there may be sound reasons for insider divestment, it cannot be discounted by a prudent investor.

Massachusetts should invest in companies that act in a responsible manner, demonstrate a business ethic of investing in the future as opposed to depreciating the past and most of all promote public safety and welfare. Entergy does none of this.

We urge the Commonwealth to systemically divest of its investment in Entergy Corporation. It is the epitome of a risky investment. Moreover, this investment is contrary to the Commonwealth's commitment to protecting the public interest in safe and reliable energy. Thank you for your leadership and consideration.

The Association to Preserve Cape Cod (APCC)

Beyond Nuclear

Cape Cod Bay Watch

Cape Cod FOR

Cape Downwinders

Cape & Islands Node of 350Massachusetts

Concerned Neighbors of Pilgrim

Down Cape Downwinders

Eel River Watershed Association, Ltd.

GreenCAPE

The Green Center, Inc.

Jones River Watershed Association

Massachusetts Peace Action

Nuclear Free Future Coalition of Western Mass

Occupy Falmouth

Occupy Falmouth Pilgrim Anti Nuclear Association

On Behalf of Planet Earth

The Orleans Water Alliance

Pilgrim Coalition

Pilgrim Watch

Red Lily Pond Project Association, Inc.

Samuel Lawrence Foundation

Social Justice Committee of First Parish Brewster

Women's International League for Peace and Freedom (WILPF) Cape Cod Branch, U.S.

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